

## **IC 4-13-2**

### **Chapter 2. Financial Reorganization Act of 1947**

#### **IC 4-13-2-1**

##### **Short title of act; definitions**

Sec. 1. (a) This chapter may be known and cited as the "Financial Reorganization Act of 1947".

(b) The provisions of this chapter shall apply to all agencies of the state. As used in this chapter, the term "agencies of the state", "agency", or "agencies" shall mean and include every officer, board, commission, department, division, bureau, committee, employee, and other instrumentality of the state including without limiting the effect of the foregoing, state hospitals, state penal institutions, and other state institution enterprises and activities wherever located, but excepting, unless specifically included, military officers and military and armory boards of the state, the state fair commission, the supreme court and the court of appeals, the legislative department of state government, including but not limited to the senate, the house of representatives, the legislative council, and the legislative services agency, and state colleges and universities supported in whole or in part by state funds, and persons and institutions under their control and excepting all counties, cities, towns, townships, school towns, townships and cities, and other municipal corporations or political subdivisions of the state.

(c) The term "supplies", "materials", "equipment", and "services" as used in this chapter shall mean and include any and all articles and things, and all services other than personal, used by, or furnished to, any department or agency of state government, including printing, binding, publication of books and records, repairs and improvements, utility services, and any and all other services required for the maintenance, operation, or upkeep of buildings and offices. The enumeration of the things specified in this section are not exclusive. *(Formerly: Acts 1947, c.279, s.1; Acts 1967, c.184, s.1.) As amended by Acts 1981, P.L.31, SEC.1; P.L.30-1987, SEC.1; P.L.20-1990, SEC.1; P.L.5-1995, SEC.3.*

#### **IC 4-13-2-1.5**

##### **State judicial and legislative departments; agency status; application of IC 4-13-2-5.2 and IC 4-13-2-19**

Sec. 1.5. (a) Notwithstanding section 1 of this chapter, the term "agencies of state", "state agency", or "agency", as used in sections 7, 19, 21, and 23 of this chapter, include the judicial and legislative departments of state government.

(b) Notwithstanding section 1 of this chapter, section 19 of this chapter applies to the judicial and legislative departments of state government.

(c) Notwithstanding section 1 of this chapter, section 5.2 of this chapter applies to a body corporate and politic.

*As added by Acts 1981, P.L.32, SEC.7. Amended by P.L.336-1989(ss), SEC.2. Repealed*

*(Repealed by P.L.24-1985, SEC.25(b).)*

#### **IC 4-13-2-3**

##### **Repealed**

*(Repealed by P.L.24-1985, SEC.25(b).)*

#### **IC 4-13-2-4**

##### **Director of auditing**

Sec. 4. The auditor of state shall be director of auditing by virtue of his office as auditor of state.

*(Formerly: Acts 1947, c.279, s.4.) As amended by P.L.5-1984, SEC.48.*

#### **IC 4-13-2-5**

##### **Repealed**

*(Repealed by P.L.49-1997, SEC.86.)*

#### **IC 4-13-2-5.1**

##### **Repealed**

*(Repealed by P.L.49-1997, SEC.85.)*

#### **IC 4-13-2-5.2**

##### **Contracts to provide supplies to body corporate and politic; submission of bids by trusts; contents**

Sec. 5.2. (a) This section applies to a body corporate and politic.

(b) Whenever a contract to provide supplies to the body corporate and politic is awarded by competitive sealed bidding, a bid submitted by a trust (as defined in IC 30-4-1-1(a)) must identify each:

- (1) beneficiary of the trust; and
- (2) settlor empowered to revoke or modify the trust.

*As added by P.L.336-1989(ss), SEC.3.*

#### **IC 4-13-2-6**

##### **Budget agency; powers and duties**

Sec. 6. Subject to the applicable provisions of this chapter and to other laws not inconsistent with this chapter, the budget agency shall have the following powers and duties respecting all agencies of the state:

- (1) To prescribe, with the approval of the commissioner of the department of administration and the auditor of state, the procedures to be used in submitting requisitions for supplies, materials, equipment, printing, and contractual services and the manner in which claims therefor shall be submitted.
- (2) To have such other powers and duties respecting all agencies of the state as may be imposed upon it by law or transferred to it by the provisions of this chapter.

*(Formerly: Acts 1947, c.279, s.6.) As amended by P.L.5-1984, SEC.49.*

#### **IC 4-13-2-7**

**Powers and duties of auditor of state**

Sec. 7. (a) Subject to this chapter and other laws not inconsistent with this chapter, the auditor of state shall, respecting all agencies of the state, do the following:

- (1) Maintain the centralized accounting records for the state, keep the general books of accounts on a double entry basis, and maintain accounts as will reflect in detail or in summary, all assets, liabilities, reserves, surpluses, revenues and receipts, appropriations, allotments, expenditures, and encumbrances except as otherwise provided in this chapter. The accounting records and procedures must provide complete fiscal control over all agencies of the state and over all activities carried on by them and be upon forms, records, and systems approved by the state board of accounts.
- (2) Examine every receipt, account, bill, claim, refund, and demand against the state arising from activities carried on by agencies of the state, approve each legal, correct, and proper claim, designate the account to be charged therefor, and issue the auditor's warrant in payment thereof. The auditor of state may authorize the disbursement through electronic funds transfer in conformity with IC 4-8.1-2-7. All warrants and electronic funds transfers shall be payable to the vendor or claimant and in no instance shall the auditor issue any warrant or make any electronic funds transfer payable to an officer or agency in payment of several claims where the officer is to distribute or pay to the several claimants the amount due, except in the case of special disbursement officers as provided for in this chapter. However, the auditor of state shall not be required to audit claims for any refunds made pursuant to IC 6-6-1.1 and IC 6-6-2.5.
- (3) Examine each and every payroll or salary voucher submitted for payment by each state officer or state agency and shall issue the auditor's warrant in payment, payable to the officer or employee or claimant, except as provided in subdivision (5). In no instance shall the auditor issue the auditor's warrant payable to any officer or agency in payment of a payroll or schedule to be distributed or paid to employees by the officer or agency.
- (4) Keep an earnings record for each employee that shows gross compensation, net compensation, items withheld for federal tax, public employees' retirement, teachers' retirement, or other retirement, and any other deductions authorized to be deducted from earnings, and shall, as required by law, make settlement with the proper officers, agents, or agencies for the deductions.
- (5) Authorize the electronic transfer of funds from the state treasury to a designated deposit account in payment of a payroll or salary voucher on behalf of a state employee who has given the auditor written authorization to make the transfer under IC 4-15-5.9-2.
- (6) Accept all documents and reports showing evidences of the collection of state revenues by state agencies, evidences of the

deposit of the revenues, and evidences of the receipt thereof by the treasurer of state and designate the fund or account to be credited.

(7) Have all other powers and duties respecting all agencies of the state as may be imposed upon the auditor by law or transferred to the auditor by this chapter.

(b) The auditor of state may issue a warrant or make an electronic funds transfer in conformity with IC 4-8.1-2-7 to a person who:

(1) has a contract with the state; and

(2) is entitled to payment under that contract;

without the certification required by IC 5-11-10-1.

(c) The auditor may not issue a warrant or make an electronic funds transfer under subsection (b) except in accordance with procedures adopted by the state board of accounts.

(d) The auditor is not personally liable for a warrant issued or an electronic funds transfer made under subsection (b) if:

(1) the auditor complies with the procedures described in subsection (c); and

(2) funds are appropriated and available to pay the warrant or electronic funds transfer.

(e) This subsection applies to a payment of less than five thousand dollars (\$5,000). Notwithstanding any other law, the auditor of state may elect to:

(1) not preaudit a payment; and

(2) process the payment with the state agency authorizing the payment.

The state agency is accountable to the state board of accounts under the board's post payment auditing procedures.

*(Formerly: Acts 1947, c.279, s.7; Acts 1951, c.2, s.1.) As amended by P.L.5-1984, SEC.50; P.L.23-1985, SEC.2; P.L.25-1988, SEC.1; P.L.277-1993(ss), SEC.39; P.L.32-1995, SEC.5; P.L.6-1996, SEC.3.*

#### **IC 4-13-2-8**

##### **State board of accounts; powers and duties**

Sec. 8. This chapter shall not be construed as divesting the state board of accounts of its powers and duties to prescribe for all state agencies systems of accounts, statements, estimates, and the form receipts, vouchers, bills, purchase orders, encumbrance documents, and demands with suitable instructions governing the installation and use thereof; and to exercise supervision and control over the use of the same by all state officials and agencies of the state, but such power shall remain and be in the state board of accounts. All power, duty, and responsibility of making post-audits of all units of government shall remain and be in and be exercised by the state board of accounts.

*(Formerly: Acts 1947, c.279, s.8.) As amended by P.L.5-1984, SEC.51.*

#### **IC 4-13-2-9**

##### **Adoption of Rules**

Sec. 9. The commissioner of the department of administration, the director of the state budget agency, and the auditor of state each may adopt rules under IC 4-22-2 to carry out their respective powers and duties under this chapter.

*(Formerly: Acts 1947, c.279, s.9.) As amended by P.L.24-1985, SEC.4.*

#### **IC 4-13-2-10**

##### **Repealed**

*(Repealed by Acts 1981, P.L.32, SEC.17.)*

#### **IC 4-13-2-11**

##### **Repealed**

*(Repealed by P.L.24-1985, SEC.25(b).)*

#### **IC 4-13-2-11.1**

##### **Department of correction contracts using inmate labor and employee supervision**

Sec. 11.1. (a) Notwithstanding the other provisions of this chapter or IC 5-16-1 concerning the awarding of contracts, if a project is for the rehabilitation, extension, maintenance, construction or repair of any structure, improvement or facility under the control of the department of correction, the department may purchase materials for that project in the manner provided by law and use, without awarding a contract, its inmates to perform the labor and use its own employees for supervisory purposes if:

- (1) they use equipment owned or leased by that department; and
- (2) the cost of the project using employee or inmate labor is estimated by the department of administration to be less than one hundred thousand dollars (\$100,000).

(b) All projects covered by this section must comply with the remaining provisions of this chapter, and all plans and specifications must be approved by a licensed architect or engineer as required by law.

*As added by Acts 1978, P.L.15, SEC.1. Amended by P.L.25-1985, SEC.1.*

#### **IC 4-13-2-12**

##### **Repealed**

*(Repealed by P.L.49-1997, SEC.86.)*

#### **IC 4-13-2-12.5**

##### **Repealed**

*(Repealed by P.L.49-1997, SEC.86.)*

#### **IC 4-13-2-12.6**

*(Repealed by P.L.7-1998, SEC.12.)*

#### **IC 4-13-2-12.7**

##### **Repealed**

*(Repealed by P.L.7-1998, SEC.12.)*

#### **IC 4-13-2-13**

##### **Repealed**

*(Repealed by P.L.24-1985, SEC.25(b).)*

#### **IC 4-13-2-14**

##### **Repealed**

*(Repealed by P.L.31-1987, SEC.21.)*

#### **IC 4-13-2-14.1**

##### **Contracts; approval of state officials; rules for electronic approval; file of information**

Sec. 14.1. (a) A contract to which a state agency is a party must be approved by the following persons:

- (1) The commissioner of the Indiana department of administration.
- (2) The director of the budget agency. The director of the budget agency is not required to approve a contract:
  - (A) for supplies under IC 5-22, unless the budget agency is required to approve the contract under rules or written policies adopted under IC 5-22; or
  - (B) for public works under IC 4-13.6, if the estimated cost of the contract is less than one hundred thousand dollars (\$100,000).
- (3) The attorney general, as required by section 14.3 of this chapter.

(b) Each of the persons listed in subsection (a) may delegate to another person the responsibility to approve contracts under this section. The delegation must be in writing and must be filed with the Indiana department of administration.

(c) The Indiana department of administration may adopt rules under IC 4-22-2 to provide for electronic approval of contracts. Rules adopted under this subsection must provide for the following:

- (1) Security to prevent unauthorized access to the approval process.
- (2) The ability to convert electronic approvals into a medium allowing persons inspecting or copying contract records to know when approval has been given.

The rules adopted under this subsection may include any other provisions the department considers necessary.

(d) The Indiana department of administration shall maintain a file of information concerning contracts and leases to which a state agency is a party.

*As added by P.L.31-1987, SEC.1. Amended by P.L.26-1989, SEC.4; P.L.33-1995, SEC.1; P.L.49-1997, SEC.12; P.L.262-2001, SEC.1.*

#### **IC 4-13-2-14.2**

##### **Contracts of state agencies to be in writing; provisions required by statute**

Sec. 14.2. (a) Except as provided in subsection (b), a contract to which a state agency is a party must be in writing.

(b) A contract is not required to be in writing if the contract is created under:

- (1) IC 5-22-8;
- (2) IC 5-22-10-4; or
- (3) IC 4-13.6-5-5.

However, the attorney general, in rules adopted under section 14.3 of this chapter, may require the state agency that is the party to the contract to maintain on file invoices, bills, or other writings that show the contract was performed and the amount of payment that is due.

(c) Subject to subsection (d), if a statute or rule requires a provision to be part of a contract to which a state agency is a party, the provision shall be construed to be part of the contract even though:

- (1) the contract is not in writing; or
- (2) the contract is in writing but the provision is omitted.

(d) Provisions required by rule under subsection (c) apply only to contracts awarded under IC 5-22-8.

*As added by P.L.31-1987, SEC.2. Amended by P.L.33-1995, SEC.2; P.L.49-1997, SEC.13.*

#### **IC 4-13-2-14.3**

##### **Contracts of state agencies; review by attorney general for form and legality; advice to agency; forms**

Sec. 14.3. (a) Except as provided in subsection (e), the attorney general must review for form and legality contracts to which a state agency is a party, unless the contract is not required to be in writing under section 14.2 of this chapter.

(b) If the attorney general finds that a contract does not meet the requirements of law, the attorney general shall:

- (1) disapprove the contract;
- (2) explain in writing to the contracting agency how the contract is legally defective; and
- (3) assist the agency to remedy defects that are found, if possible.

(c) If the attorney general finds that the form of a contract is inappropriate but that the contract is legal, the attorney general may disapprove the contract and shall advise the agency how the form is defective and how the form may be improved.

(d) The attorney general shall advise the contracting agency as to the form and legality of the contract within forty-five (45) days after its submission for review. If the attorney general does not advise the agency within forty-five (45) days after submission, the contract is considered to be approved.

(e) The attorney general may approve contract forms or, by rules adopted under IC 4-22-2, contract types to be used by a state agency and specify the conditions under which the approved forms or types may be used. An agency using a contract form or contract type

approved by the attorney general is not required to submit individual contracts using the forms or types for review by the attorney general under this section. Changes in an approved form or type must:

- (1) be approved by the attorney general; and
- (2) be made in accordance with IC 5-15-5.1-5.

(f) The attorney general may delegate to a deputy a power or responsibility given to the attorney general under this section.

*As added by P.L.31-1987, SEC.3.*

#### **IC 4-13-2-14.4**

##### **Contracts in lieu of appointing employees**

Sec. 14.4. Before a state agency may enter into a contract for services to be provided in lieu of appointing employees to available positions, the agency must justify the cost effectiveness of the contract to the commissioner of the department of administration.

*As added by P.L.31-1987, SEC.4.*

#### **IC 4-13-2-14.5**

##### **Revenue department; access to names of bidders, contractors, and subcontractors; persons on tax warrant list**

Sec. 14.5. (a) The department of administration may allow the department of state revenue access to the name of each person who is either:

- (1) bidding on a contract to be awarded under this chapter; or
- (2) a contractor or a subcontractor under this chapter.

(b) If the department of administration is notified by the department of state revenue that a bidder is on the most recent tax warrant list, the department of administration may not award a contract to that bidder until:

- (1) the bidder provides to the department of administration a statement from the department of state revenue that the bidder's delinquent tax liability has been satisfied; or
- (2) the department of administration receives a notice from the commissioner of the department of state revenue under IC 6-8.1-8-2(k).

(c) The department of state revenue may notify:

- (1) the department of administration; and
- (2) the auditor of state;

that a contractor or subcontractor under this chapter is on the most recent tax warrant list, including the amount owed in delinquent taxes. The auditor of state shall deduct from the contractor's or subcontractor's payment the amount owed in delinquent taxes. The auditor of state shall remit this amount to the department of state revenue and pay the remaining balance to the contractor or subcontractor.

*As added by P.L.26-1985, SEC.1. Amended by P.L.332-1989(ss), SEC.2.*

#### **IC 4-13-2-14.6**

##### **Salary agreements or adjustments; compensation plans; approval**



Sec. 14.6. A salary agreement, salary adjustment, or compensation plan for the personnel of any state agency is not valid unless approved by the state budget agency, except where the amount of compensation or salary is expressly fixed or provided for by law. Schedules of salary ranges showing the current salaries of the employees of all state agencies shall be filed in the office of the director of the state budget agency.

*As added by P.L.31-1987, SEC.5.*

#### **IC 4-13-2-14.7**

##### **State agency employees working with children; sex crime convictions; dismissal**

Sec. 14.7. A person employed, appointed, or under contract with a state agency, who works with or around children, shall be dismissed (after the appropriate pre-deprivation procedure has occurred) if that person is, or has ever been, convicted of any of the following:

- (1) Rape (IC 35-42-4-1), if the victim is less than eighteen (18) years of age.
- (2) Criminal deviate conduct (IC 35-42-4-2), if the victim is less than eighteen (18) years of age.
- (3) Child molesting (IC 35-42-4-3).
- (4) Child exploitation (IC 35-42-4-4(b)).
- (5) Vicarious sexual gratification (IC 35-42-4-5).
- (6) Child solicitation (IC 35-42-4-6).
- (7) Child seduction (IC 35-42-4-7).
- (8) Sexual misconduct with a minor as a Class A or B felony (IC 35-42-4-9).
- (9) Incest (IC 35-46-1-3), if the victim is less than eighteen (18) years of age.

*As added by P.L.11-1994, SEC.1. Amended by P.L.12-1994, SEC.1; P.L.228-2001, SEC.1.*

#### **IC 4-13-2-15**

##### **Repealed**

*(Repealed by P.L.31-1987, SEC.21.)*

#### **IC 4-13-2-16**

##### **State contracts and purchases; adverse or pecuniary interest of officers**

Sec. 16. The commissioner of the department of administration, a member of his department, or a member of a standardization committee may not be financially interested or have any personal beneficial interest in any contract or purchase order for any supplies, materials, equipment, or services used by or furnished to any agency of the state.

*(Formerly: Acts 1947, c.279, s.16.) As amended by Acts 1978, P.L.2, SEC.406; P.L.14-1984, SEC.6; P.L.14-1986, SEC.3; P.L.18-1991, SEC.6.*

#### **IC 4-13-2-17**

##### **Repealed**

*(Repealed by P.L.24-1985, SEC.25(b).)*

#### **IC 4-13-2-18**

##### **Appropriations; administration of allotment system; unauthorized payment by officers**

Sec. 18. (a) For the purpose of the administration of the allotment system provided by this section, each fiscal year shall be divided into four (4) quarterly allotment periods, beginning respectively on the first day of July, October, January, and April. However, in any case where the quarterly allotment period is impracticable, the state budget director may prescribe a different period suited to the circumstances but not extending beyond the end of any fiscal year.

(b) Except as otherwise expressly provided in this section, the provisions of this chapter relating to the allotment system and to the encumbering of funds shall apply to appropriations and funds of all kinds, including standing or annual appropriations and dedicated funds, from which expenditures are to be made from time to time by or under the authority of any state agency. However, the provisions relating to the allotment system shall not apply to moneys made available for the purpose of conducting a post-audit of financial transactions of any state agency. Likewise, appropriations for construction or for the acquisition of real estate for public purposes may be exempted from the allotment system by the state budget director, but in such cases he shall prescribe such regulations as will insure the proper application and encumbering of funds.

(c) No appropriation to any state agency shall become available for expenditure until:

(1) such state agency shall have submitted to the state budget agency a request for allotment, such request for allotment to consist of an estimate of the amount required for each activity and each purpose for which money is to be expended during the applicable allotment period; and

(2) such estimate contained in the request for allotment shall have been approved, increased, or decreased by the state budget director and funds allotted therefor as hereinafter provided.

The form of a request for allotment, including a request by hand, mail, facsimile transmission, or other electronic transmission, shall be prescribed by the state budget agency with the approval of the auditor of state and shall be submitted to them at least twenty-five (25) days prior to the beginning of the allotment period.

(d) Each request for allotment shall be reviewed by the state budget agency and respective amounts therein shall be allotted for expenditure if:

(1) the estimate therein is within the terms of the appropriation as to amount and purpose, having due regard for the probable future needs of the state agency for the remainder of the fiscal year or other term for which the appropriation was made; and

(2) the agency contemplates expenditure of the allotment during

the period.

Otherwise the state budget agency shall modify the estimate so as to conform with the terms of the appropriation and the prospective needs of the state agency, and shall reduce the amount to be allotted accordingly. The state budget agency shall act promptly upon all requests for allotment and shall notify every state agency of its allotments at least five (5) days before the beginning of each allotment period. The total amount allotted to any agency for the fiscal year or other term for which the appropriation was made shall not exceed the amount appropriated for such year or term.

(e) The state budget director shall also have authority at any time to modify or amend any allotment previously made by him.

(f) In case the state budget director shall discover at any time that:

(1) the probable receipts from taxes or other sources for any fund will be less than were anticipated; and

(2) as a consequence the amount available for the remainder of the term of the appropriation or for any allotment period will be less than the amount estimated or allotted therefor;

he shall, with the approval of the governor, and after notice to the state agency or agencies concerned, reduce the amount or amounts allotted or to be allotted so as to prevent a deficit.

(g) The state budget agency shall promptly transmit records of all allotments and modifications thereof to the auditor of state.

(h) The auditor of state shall maintain as a part of the central accounting system for the state, as hereinbefore provided, records showing at all times, by funds, accounts, and other pertinent classifications, the amounts appropriated, the estimated revenues, the actual revenues or receipts; the amounts allotted and available for expenditure, the total expenditures, the unliquidated obligations, actual balances on hand, and the unencumbered balances of the allotments for each state agency.

(i) No payment shall be made from any fund, allotment, or appropriation unless the auditor of state shall first certify that there is a sufficient unencumbered balance in such fund, allotment, or appropriation, after taking into consideration all previous expenditures to meet the same. In the case of an obligation to be paid from federal funds, a notice of federal grant award shall be considered an appropriation against which obligations may be incurred, funds may be allotted, and encumbrances may be made.

(j) Every expenditure or obligation authorized or incurred in violation of the provisions of this chapter shall be void. Every payment made in violation of the provisions of this chapter shall be illegal, and every official authorizing or making such payment, or taking part therein, and every person receiving such payment, or any part thereof, shall be jointly and severally liable to the state for the full amount so paid or received. If any appointive officer or employee of the state shall knowingly incur any obligation or shall authorize or make any expenditure in violation of the provisions of this chapter, or take any part therein, it shall be ground for his removal by the officer appointing him, and if the appointing officer

be other than the governor and shall fail to remove such officer or employee, the governor may exercise such power of removal after giving notice of the charges and opportunity for hearing thereon to the accused officer or employee and to the officer appointing him. *(Formerly: Acts 1947, c.279, s.20; Acts 1953, c.135, s.1.) As amended by Acts 1981, P.L.32, SEC.13; P.L.28-1983, SEC.10; P.L.6-1996, SEC.4.*

#### **IC 4-13-2-19**

##### **Appropriations; lapse; exceptions; recognition of encumbered federal funds**

Sec. 19. (a) Except as specifically provided for in appropriation acts, every appropriation or part thereof remaining unexpended and unencumbered at the close of any fiscal year shall lapse and be returned to the general revenue fund. However, an appropriation for purchase of real estate or for construction or other permanent improvement shall not lapse until the purposes for which the appropriation was made shall have been accomplished or abandoned, unless such appropriation has remained during an entire fiscal biennium without any expenditure therefrom or encumbrance thereon.

(b) Except as otherwise expressly provided by law, the provisions of this section shall apply to every appropriation of a stated sum for a specified purpose or purposes heretofore or hereafter made from the general revenue fund, but shall not, unless expressly so provided by law, apply to any fund or balance of a fund derived wholly or partly from special taxes, fees, earnings, fines, federal grants, or other sources which are by law appropriated for special purposes by standing, continuing, rotary, or revolving appropriations.

(c) In the case of federal funds encumbered by a state agency that is the recipient of the federal grant, for purposes of meeting reimbursements that are to come due after the expiration of the federal grant, the state agency's encumbrance on its ledgers shall be recognized as valid by the auditor of state for one (1) year or until the money is expended, whichever is sooner.

*(Formerly: Acts 1947, c.279, s.21.) As amended by P.L.28-1983, SEC.11.*

#### **IC 4-13-2-20**

##### **Advance payments; special disbursements**

Sec. 20. (a) Except as otherwise provided in this section, IC 20-1-1.8-17.2, or IC 12-8-10-7, payment for any services, supplies, materials, or equipment shall not be paid from any fund or state money in advance of receipt of such services, supplies, materials, or equipment by the state.

(b) With the prior approval of the budget agency, payment may be made in advance for any of the following:

(1) War surplus property.

(2) Property purchased or leased from the United States government or its agencies.

- (3) Dues and subscriptions.
- (4) License fees.
- (5) Insurance premiums.
- (6) Utility connection charges.
- (7) Federal grant programs where advance funding is not prohibited and, except as provided in subsection (i), the contracting party posts sufficient security to cover the amount advanced.
- (8) Grants of state funds authorized by statute.
- (9) Employee expense vouchers.
- (10) Beneficiary payments to the administrator of a program of self-insurance.
- (11) Services, supplies, materials, or equipment to be received from an agency or from a body corporate and politic.
- (12) Expenses for the operation of offices that represent the state under contracts with the department of commerce and that are located outside Indiana.
- (13) Services, supplies, materials, or equipment to be used for more than one (1) year under a discounted contractual arrangement funded through a designated leasing entity.
- (14) Maintenance of equipment and maintenance of software not exceeding an annual amount of one thousand five hundred dollars (\$1,500) for each piece of equipment or each software license.
- (15) Exhibits, artifacts, specimens, or other unique items of cultural or historical value or interest purchased by the state museum.

(c) Any state agency and any state college or university supported in whole or in part by state funds may make advance payments to its employees for duly accountable expenses exceeding ten dollars (\$10) incurred through travel approved by the employee's respective agency director in the case of a state agency and by a duly authorized person in the case of any such state college or university.

(d) The auditor of state may, with the approval of the budget agency and of the commissioner of the Indiana department of administration:

- (1) appoint a special disbursing officer for any state agency or group of agencies where it is necessary or expedient that a special record be kept of a particular class of disbursements or where disbursements are made from a special fund; and
- (2) approve advances to the special disbursing officer or officers from any available appropriation for the purpose.

(e) The auditor of state shall issue the auditor's warrant to the special disbursing officer to be disbursed by the disbursing officer as provided in this section. Special disbursing officers shall in no event make disbursements or payments for supplies or current operating expenses of any agency or for contractual services or equipment not purchased or contracted for in accordance with this chapter and IC 5-22. No special disbursing officer shall be appointed and no money shall be advanced until procedures covering the operations of

special disbursing officers have been adopted by the Indiana department of administration and approved by the budget agency. These procedures must include the following provisions:

- (1) Provisions establishing the authorized levels of special disbursing officer accounts and establishing the maximum amount which may be expended on a single purchase from special disbursing officer funds without prior approval.
- (2) Provisions requiring that each time a special disbursing officer makes an accounting to the auditor of state of the expenditure of the advanced funds, the auditor of state shall request that the Indiana department of administration review the accounting for compliance with IC 5-22.
- (3) A provision that, unless otherwise approved by the commissioner of the Indiana department of administration, the special disbursing officer must be the same individual as the procurements agent under IC 4-13-1.3-5.
- (4) A provision that each disbursing officer be trained by the Indiana department of administration in the proper handling of money advanced to the officer under this section.
- (f) The commissioner of the Indiana department of administration shall cite in a letter to the special disbursing officer the exact purpose or purposes for which the money advanced may be expended.
- (g) A special disbursing officer may issue a check to a person without requiring a certification under IC 5-11-10-1 if the officer:
  - (1) is authorized to make the disbursement; and
  - (2) complies with procedures adopted by the state board of accounts to govern the issuance of checks under this subsection.
- (h) A special disbursing officer is not personally liable for a check issued under subsection (g) if:
  - (1) the officer complies with the procedures described in subsection (g); and
  - (2) funds are appropriated and available to pay the warrant.
- (i) For contracts entered into between the department of workforce development or the Indiana commission on vocational and technical education and:
  - (1) a school corporation (as defined in IC 20-10.1-1-1); or
  - (2) a state educational institution (as defined in IC 20-12-0.5-1);the contracting parties are not required to post security to cover the amount advanced.

*(Formerly: Acts 1947, c.279, s.22; Acts 1971, P.L.28, SEC.1.) As amended by P.L.28-1983, SEC.12; P.L.14-1984, SEC.7; P.L.24-1985, SEC.5; P.L.5-1988, SEC.23; P.L.25-1988, SEC.2; P.L.18-1991, SEC.7; P.L.17-1991, SEC.8; P.L.2-1992, SEC.31; P.L.20-1992, SEC.1; P.L.21-1992, SEC.1; P.L.19-1992, SEC.1; P.L.1-1993, SEC.17; P.L.13-1994, SEC.1; P.L.34-1995, SEC.1; P.L.21-1995, SEC.4; P.L.6-1996, SEC.5; P.L.49-1997, SEC.14; P.L.155-2002, SEC.1.*

#### **IC 4-13-2-21**

**State agencies; deposit of receipts with state treasurer; reports**

Sec. 21. All receipts from any source coming into the possession of any state agency shall be deposited with the state treasurer each day or as soon as practicable after the same is received, unless otherwise provided by law, and at the end of each calendar month each agency shall file a report of all receipts deposited since the last previous report, which report shall show the disposition thereof. Said report shall be submitted to the director of auditing by the depositing agency. All moneys so received by the treasurer during any month shall be credited by him and by the director of auditing to the proper funds not later than the fifth day of the following month.  
(Formerly: Acts 1947, c.279, s.23.)

#### **IC 4-13-2-22**

##### **Repealed**

*(Repealed by Acts 1979, P.L.40, SEC.25.)*

#### **IC 4-13-2-23**

##### **State board of finance; transfer and reassignment of appropriations; conflict in powers and duties**

Sec. 23. (a) The state board of finance may transfer, assign, or reassign any appropriation, appropriations, or part thereof for one (1) specific use or purpose to another use or purpose of any officer or agency so long as the use and purpose to which it is transferred, assigned, or reassigned is a use or purpose which the officer or agency is required or authorized to perform. For the purposes of this section, all appropriations made before or after March 13, 1947, to any officer or agency shall be deemed and taken as appropriations to that officer or agency for the use of such officer or agency for any purpose or duty said officer or agency is required to or may perform by law. No transfer under this subsection shall be made except upon the request of or with the consent of such officer or agency.

(b) All of the rights, powers, and duties by law in effect on March 13, 1947, imposed upon and vested in the state board of finance which are in conflict with the provisions of this chapter or imposed on some other officer or agency are hereby eliminated from the powers and duties of the state board of finance.

*(Formerly: Acts 1947, c.279, s.27.) As amended by P.L.5-1984, SEC.52.*

#### **IC 4-13-2-24**

##### **State auditor; vesting of powers and duties; employment of professional and clerical assistance**

Sec. 24. All rights, powers, and duties of preauditing and accounting for the financial transactions and activities of all state agencies vested in and conferred upon before March 13, 1947, the auditor of state remain vested in and conferred upon the auditor of state. The auditor of state is hereby authorized to employ such professional and clerical assistants as may be necessary to perform the duties imposed upon him by this chapter.

*(Formerly: Acts 1947, c.279, s.28.) As amended by P.L.5-1984,*

SEC.53.

**IC 4-13-2-25**

**Repealed**

*(Repealed by P.L.4-1988, SEC.4.)*

**IC 4-13-2-26**

**Repealed**

*(Repealed by Acts 1975, P.L.26, SEC.5.)*

**IC 4-13-2-27**

**Repealed**

*(Repealed by P.L.4-1988, SEC.4.)*

**IC 4-13-2-28**

**Central warehouse; establishment; purchasers; notice to institutions and departments of materials and supplies available; procedure for requisitions**

Sec. 28. (a) The commissioner of the department of administration shall establish a central warehouse.

(b) Whenever in the opinion of the commissioner he shall determine that it is advantageous to purchase commodities, materials, or supplies, which are used by several state agencies for their industries or for general operating purposes, he may do so and warehouse same in the state warehouse. The cost of such commodities and the expense incident thereto shall be paid for in the first instance from the warehousing and stationary revolving fund.

(c) The commissioner shall keep all institutions and departments informed of the commodities, materials, and supplies which are available in the warehouse.

(d) The same procedure for requisitioning articles from the warehouse shall be followed as in requisitioning for purchases except that said requisition shall be noted to be drawn from public warehouse. The commissioner shall invoice to each institution and file his claim for reimbursement for any articles furnished and shall add to the actual cost a sufficient amount to pay for all warehouse and handling charges but shall not charge any amount in excess of the actual cost and expense so as to show a profit in operating this warehouse.

*(Formerly: Acts 1947, c.279, s.36.) As amended by P.L.5-1984, SEC.56; P.L.18-1991, SEC.8.*

**IC 4-13-2-29**

**Constitutionality of act**

Sec. 29. In the event any section, clause, or part of Acts 1947, c.279, shall be held to be unconstitutional, then each section, clause, part, and all of that act shall be and hereby is declared to be null, void, and without effect in and as law.

*(Formerly: Acts 1947, c.279, s.38 1/2.) As amended by P.L.5-1984, SEC.57.*



